

1 James I. Stang (CA Bar No. 94435)
Debra I. Grassgreen (CA Bar No. 169978)
2 Andrew W. Caine (CA Bar No. 110345)
Brittany Mitchell M. Michael (*Pro Hac Vice*)
3 PACHULSKI STANG ZIEHL & JONES LLP
One Sansome Street, 34th Floor, Suite 3430
4 San Francisco, California 94104-4436
Telephone: 415-263-7000
5 Email: jstang@pszjlaw.com
dgrassgreen@pszjlaw.com
6 acaine@pszjlaw.com
bmichael@pszjlaw.com

7
8 Attorneys for the Official Committee of
Unsecured Creditors

9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 In re
13 THE ROMAN CATHOLIC ARCHBISHOP
OF SAN FRANCISCO,
14
Debtor.

Case No. 23-30564

Chapter 11

**JOINDER TO MOTION FOR ENTRY OF
AN ORDER REFERRING PARTIES TO
GLOBAL MEDIATION, APPOINTING
MEDIATOR AND GRANTING RELATED
RELIEF**

17 Date: June 13, 2024
18 Time: 1:30 p.m.
Place: via Zoom
19 Judge: Hon. Dennis Montali
20

21 The Official Committee of Unsecured Creditors (the “Committee”) of the Roman Catholic
22 Archbishop of San Francisco, debtor and debtor in possession (the “RCASF” or “Debtor”), hereby
23 joins the Debtor’s *Motion for Entry of an Order Referring Parties to Global Mediation, Appointing*
24 *Mediator and Granting Related Relief* (the “Motion”)¹ and reserves its rights regarding
25 participation in mediation and its ability to seek this Court’s intervention regarding outstanding
26

27 ¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the
28 Motion.

1 discovery matters. In support of this Joinder and Reservation of Rights, the Committee states:

2 1. On August 21, 2023 (the “Petition Date”), the Debtor filed a voluntary petition
3 under chapter 11 of the Bankruptcy Code. The bankruptcy was filed on the eve of trial for the first
4 two of the over 500 sexual abuse lawsuits filed against the Debtor in state court after the statute of
5 limitations applicable to childhood survivors of sexual abuse was expanded and became effective
6 in January 2020.

7 2. The first day declaration of Joseph Passarello, the Debtor’s Chief Financial Officer,
8 describes the Parishes and other “affiliates” as “separate” entities from the Debtor.² The
9 Committee strongly disagrees with the characterization.³ However, regardless of their
10 characterization in the bankruptcy, the Debtor does not dispute that it will seek (and likely require)
11 protection for the “Non-Debtor Catholic Entities” through this bankruptcy case and any potential
12 plan of reorganization.

13 3. On December 19, 2023, following efforts to meet and confer among the parties and
14 multiple status reports to the Court, the Court approved the Committee’s application for an order
15 approving issuance of a subpoena for the production of documents of the Debtor, the Parishes, and
16 its “affiliates” pursuant to Bankruptcy Rule 2004 (the “2004 Order”) [Docket No. 383], taking
17 place in four stages between January and March.

18 4. On January 9, 2024, the Committee served a subpoena for the production of
19 documents (“Document Requests”) on the Debtor. On January 26, 2024, the Debtor served
20 written responses and objections to the first phase of the Document Requests and later served
21 additional responses and objections. Counsel for the Committee and the Debtor have conferred
22 almost weekly regarding the Document Requests. While substantial progress has recently been
23 made towards providing the Committee with requested information, to date the Committee does
24 not have all of the foundational information it needs to participate in mediation.

25
26
27 ² See *Declaration of Joseph J. Passarello in Support of Chapter 11 Petition and Debtor’s Emergency*
Motions [Docket No. 14] (“Passarello First Day Declaration”), ¶¶18-40.

28 ³ See *Committee’s Response to Passarello First Day Declaration* [Docket Nos. 604, 610].

1 5. Much of the absent essential information relates to the assets and financial
2 condition of “affiliates.” The Parishes and other “affiliates” are each represented by separate
3 counsel. While the Committee believes that the Debtor has possession of and authority to produce
4 the affiliate financial information, the Debtor has continued to decline to produce the documents
5 without consent of “affiliate” counsel. Some such consents have very recently been forthcoming,
6 but the universe of documents produced to date is far less than what the Committee has requested.

7 6. Therefore, while the Committee enthusiastically supports the appointment of
8 Judges Sontchi and Buckley as Mediators and endorses their extensive background, skills, and
9 experience that qualify them to assist in this case, the Committee reserves its rights to abstain from
10 participating in mediation until it has essential financial information for all entities for whom the
11 Debtor will seek protection through this chapter 11 case. The Committee also reserves its rights to
12 return to this Court for an order compelling production or approving additional motions under
13 Bankruptcy Rule 2004.

14 WHEREFORE, the Committee respectfully joins in the Debtor’s request that the Court
15 enter the Proposed Order substantially in the form attached to the Motion and reserves its rights as
16 to participation in any ordered mediation until such time as it has been provided with sufficient
17 financial information from all mediation participants as to allow for meaningful settlement
18 negotiations.

19
20 Dated: May 16, 2024

PACHULSKI STANG ZIEHL & JONES LLP

21
22 By /s/James I. Stang

23 James I. Stang

24 Debra I. Grassgreen

25 Andrew W. Caine

26 Brittany M. Michael

27 Attorneys for The Official Committee of
28 Unsecured Creditors